1. What has been the impact of COVID (both during and post) on overall logistics industry and particularly for FedEx? Explain with specific examples and business cases

How is COVID-19 impacting FedEx operations? How is it impacting operations globally?

We continue to operate inbound and outbound flights to and from impacted areas as local conditions and restrictions allow, and we’re taking recommended precautions in terms of pilot, team member and customer health and safety. Global work and travel restrictions may affect shipments inbound and outbound to and from impacted areas, as well as shipments moving within those areas.

// <https://www.fedex.com/en-us/coronavirus.html>

Supply chain disruptions and the lockdowns are already affecting logistics companies. Operational constraints are expected to lead to delivery delays, congestion, and higher freight rates. However, not all segments will be impacted equally—companies that serve e-commerce are seeing increased activity as consumers opt for online shopping of essentials, while those that serve other sectors (such as auto and consumer goods) will see a downturn.

2. What are the key business trends that would change and affect logistics industry in the long

term (post COVID world)

<https://home.kpmg/xx/en/home/insights/2021/12/six-key-trends-impacting-global-supply-chains-in-2022.html>

3.What are the upcoming technology trends that would change the logistics industry in the long

term (post COVID world)

Internet of Things (IoT): Logistics is a field in which the IoT can play a crucial role. With IoT, data can be transferred over any network, allowing it to monitor people, employees, and equipment while ensuring their safety and security.

Artificial Intelligence (AI)

3D printing enables organisations to store and replace parts in virtual warehouses via data models and in digital form, which will allow them to be printed anytime and anywhere.

Future

Below are some of the trends that we can expect in the global logistics industry in the next few years:

Sustainability and reducing environmental footprint will be the top priorities

The transportation industry contributes a great deal to greenhouse gas emissions. Maintaining relevance will mean bringing insight and solutions to help customers lower their ecological footprint and becoming more than a ‘selling point’. As sustainability becomes a high priority, companies will focus on developing new product lines in areas such as alternative fuels, emerging technologies, and alternative supply chains. They will demonstrate relatively greater focus and progress instead of just talking the talk.

Electromobility will contribute largely to greener transportation

Electromobility and the development of environmentally friendly energy sources is another strong trend. The development of electric vehicles and powertrain systems will accelerate as focus shifts from oil-based fuels to battery- based fuels. In the near future, there will be an increase in the use of eco-friendly fuel for maritime transportation as new regulations gradually come into force globally. By utilising electromobility, freight forwarders will be able to save on their environmental carbon footprint, and help their customers make more informed decisions about their supply chains.

Use of blockchain technology could revolutionise the logistics industry

Blockchain technology, where information is stored on a blockchain and is accessible as a digital database, is the next wave of technology. Blockchain technology stores identical blocks of information throughout its network, preventing the control of a single entity and preventing single points of failure. Anyone can access and verify the information online, and it is publicly available. This technology will revolutionise The Review of Maritime Transport 2021 published on November 18 by the United Nations Conference on Trade and Development (UNCTAD) says, “Improving the quality of port infrastructure would reduce world average maritime transport costs by 4.1 per cent, while costs would be reduced by 3.7 per cent by better trade facilitation measures and by 4.4 per cent by improved liner shipping connectivity.” The report urges continued monitoring and analysis of trends to find ways of cutting costs, enhancing efficiency and smoothing delivery of maritime trade. In the medium to longer term, it forecasts, “the maritime supply capacity will also be affected by the transition of the industry towards zero- carbon shipping. To ensure that the necessary investment in ships, ports and the provision of new fuels is not delayed, it will be important for investors to count on a predictable global regulatory framework.”

New transportation alternatives will be used

It is estimated that around 60 per cent of the world’s population will live in cities by 2030. This presents many challenges. Consumer demand in cities will increase as people shift from rural to urban centres – and the flow of logistics in and out of cities will rise as well. As a result, it is anticipated that an increased focus will be put on managing congestion, urban freight distribution, and pollution, as well as environmental-related issues such as emissions and air pollution—all at the same time. As e-commerce grows, new transport alternatives such as drones will be used to meet the increasing demand. Also, self-driving vehicles will improve city logistics. The development and maturation of 3D printing will open up new possibilities, which can only be imagined as of today.

Maritime Logistics

Ships and ports support global supply chain links and economic interdependence, as they handle more than 80 per cent of global merchandise trade by volume and more than 70 per cent by value. Hence, maritime sector acquires greater significance when disruptions like the current pandemic occur, as global trade and economic activity through sea can be adversely affected by disrupted transport networks and supply chains.

Even though it is unclear what the long-term impact of COVID-19 will be, all indicators point to immediate challenges for the industry. They vary depending on the type of maritime transport (e.g. container, bulk, reefer, tanker) and the national or international nature of the transportation operation.